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9 September, 1996

EX PARTE OR LATE FILED

Mr. William F. Caton
Acting Secretary
FEDERAL COMMUNICATION COMMISSION
1919 M Street, N.W.
Washington, D.C. 20036

re: CC Docket #96-152

Dear Mr. Caton:

Recently, I learned that the FCC is considering rules to implement the provisions from the Telecommunications Act of 1996 for alarm monitoring. As a provider of alarm monitoring services, Safe Systems is extremely interested in CC Docket #96-152, which will implement Section 275 of the '96 Act. Safe Systems urges the Commission to interpret Section 275 in the spirit intended by Congress, and resist the Bell Companies attempts to reduce the section to a meaningless technical provision.

As you know, alarm systems primarily rely on telephone lines, such as those provided by USWest, to communicate with monitoring stations. Cellular phone transmission is too costly to the customer, and there is no practical alternative that is accepted by both local authorities (eg fire and police departments) or public safety agencies, such as Underwriters' Laboratories. UL approval is often required by insurance companies, as well as setting the industry standard for reliable communications. As a result of this reliance on USWest, Safe Systems is extremely vulnerable to the anticompetitive conduct proposed by the Bell Companies.

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Section 275 provided five year prohibition on Bell Company entry into the alarm business in order to permit local competition to develop that will give alarm monitoring services companies, like Safe Systems an alternative local network to use. Although local competitors have begun the process of entry into the larger markets, it will likely be years before any of them present a viable alternative to the incumbent Bell Companies, particularly in smaller markets.

If Section 275 is interpreted to allow these incumbent monopolies (the Bell Companies) to immediately engage in marketing activities, sales, billing, customer service and retail alarm monitoring services, it will be as if the five year ban never existed. Additionally, these Bell Companies plan to be compensated for these activities through a percentage of the alarm monitoring revenues. The five year ban was put in place to prevent opportunities and incentives for the Bell Companies to discriminate and compete unfairly. If this five year ban is rendered meaningless and ineffective, it could have an extremely detrimental impact on Safe Systems, as well as most of the providers of alarm monitoring service in this area.

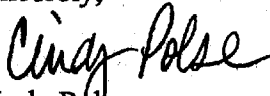
It is my understanding that Ameritech had interpreted a reading of Section 275 that would bypass the ban on their acquisition of other alarm monitoring services for the five year period. I have seen copies and heard of their attempts to purchase independent alarm companies and buy them out. Additionally, Ameritech has announced their purchase of the alarm business of Circuit City Stores. This is in direct violation of the intent of the five year ban of the Bell Companies on engagement in the alarm business. If allowed to prevail, Ameritech, and possibly other Bell Companies, will be free to ignore Section 275 and continue to purchase other alarm monitoring companies. The protections provided to small alarm monitoring businesses by Section 275 will be rendered meaningless!

In spite of the problems with Ameritech, there is still another Bell Company effort to undermine Section 275. USWest is arguing that prior to November 30, 1995, it offered alarm services, which qualifies it to participate in the alarm monitoring business the same way as Ameritech. As with other Bell Companies' attempts to escape the provisions of Section 275, it is critical to Safe Systems that this effort not succeed. The five year probationary period of Section 275 must be enforced! It is crucial if local competition is to be able to develop sufficiently to provide alarm companies with cost effective, alternative sources of local competition.

The Telecommunications Act of 1996 was enacted to create a congressional compromise between the interest of the alarm monitoring industry's fears of anti-competitive conduct by the Bell Companies and the telephone companies' desire to enter the alarm business. The five year prohibition was put in to enable local competition to develop and to balance to interests of both parties fairly. If the recent efforts of Ameritech and USWest allow Section 275 to be interpreted as a narrow, trivial provision, all the intent and effects of this section will be lost.

Safe Systems strongly urges the FCC to reject these (and future) Bell Company distortion of Section 275. ***Please implement and enforce Section 275 in the manner it was intended... to prevent unfair competition by the Bell Companies and allow small business the opportunity to develop alternative methods for alarm transmissions.***

Sincerely,

A handwritten signature in cursive script that reads "Cindy Polse".

Cindy Polse
President